

Sacramento Metropolitan Air
Quality Management District

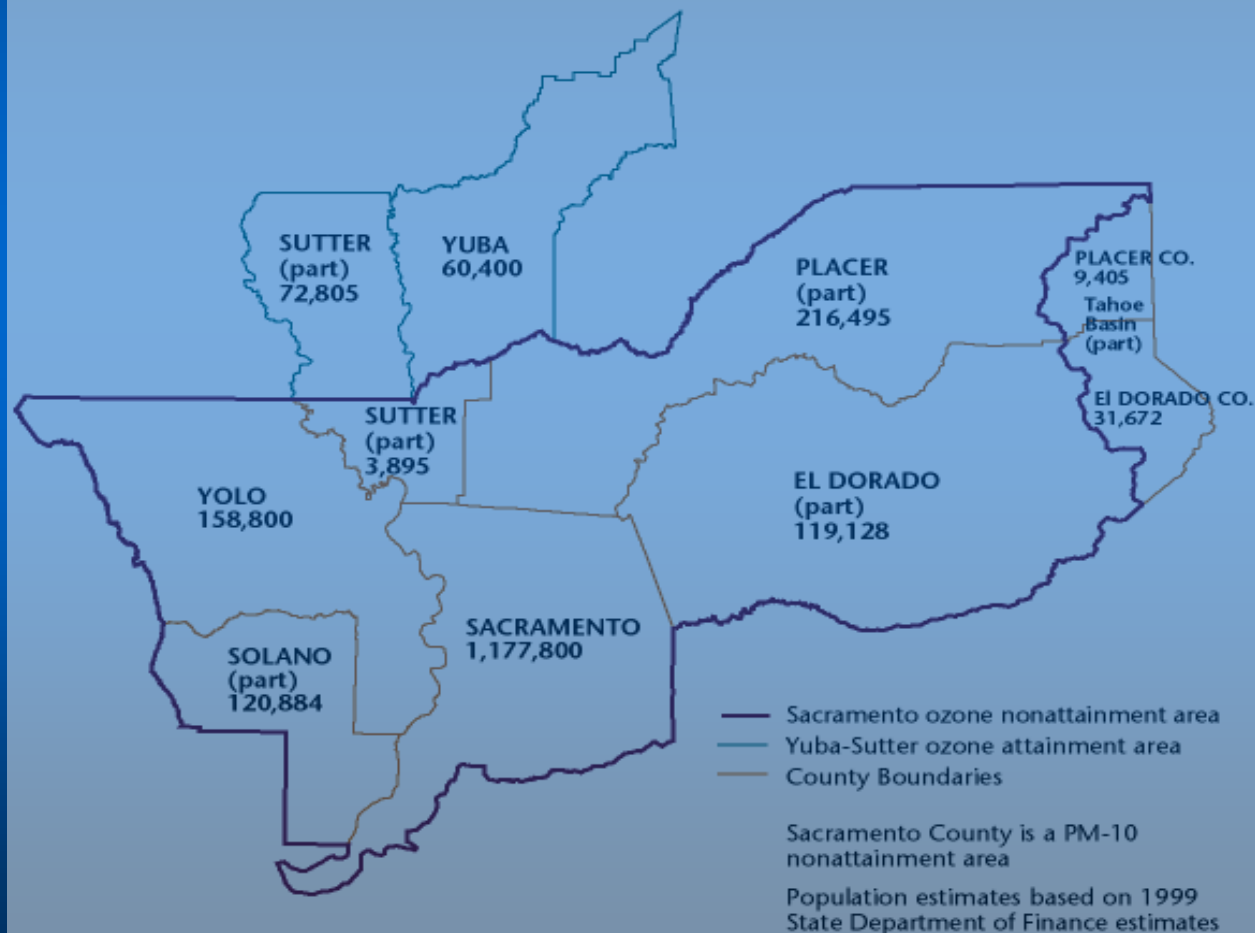
Innovative Funding Strategies

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Sacramento Non-Attainment Region

FEDERAL AIR QUALITY PLANNING BOUNDARIES

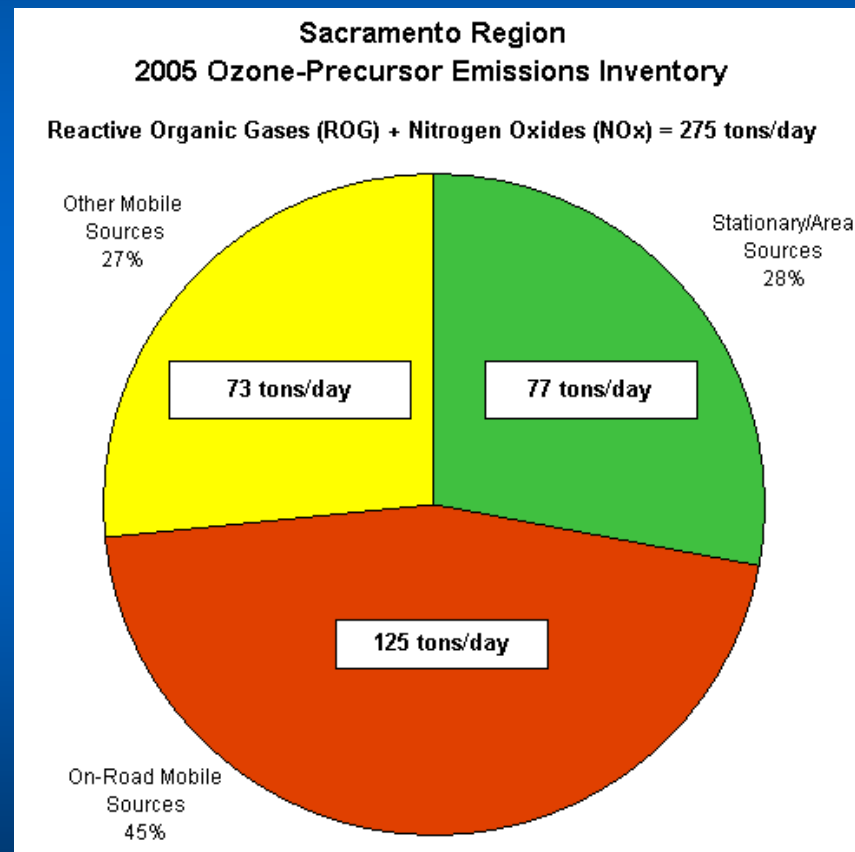


Why Are We doing This?

- Sacramento is required to meet federal 8-hr air quality standards.
 - 1-Hour strategies included 5 ton commitment
 - 8-Hour strategies will build on this success.
- Transportation conformity - **Potential loss of federal highway funds**
- Sacramento's NO_x problem is largely associated with emissions from mobile sources (**heavy-duty diesel engines**)

Major Sources of Pollution

- **72% of ozone-precursors (ROG+NOx) from on/off road mobile sources = 198 tons/day**
- **More than 34 tons/day of excess NOx is from on-road heavy-duty diesel-powered vehicles**



Funding Programs

- **Programs used to improve air quality from mobile sources**
 - **SECAT (\$34 M)**
 - **Moyer (\$10 M)**
 - **DMV (\$3 M/year)**
 - **CMAQ (\$20 M)**
 - **Measure A – Proposition 40 (\$1.3 M/year)**
 - **School Bus Program (\$1.85 M)**
 - **Total programs 1998-2005 (\$58 M)**

Sacramento Emergency Clean Air & Transportation (SECAT) Fund

- **\$70 million originally allocated**
 - **\$50 million from Governor's Transportation Initiative and \$20 million from Congestion Mitigation and Air Quality Program**
 - **Reduced to approximately \$37 million due to budget crisis - \$34 million spent**
 - **Additional \$3 million from CMAQ in 2004**
 - **Likely an additional \$24 million will be released in late September 2005**
 - **Only for on-road vehicle emission reductions**

Carl Moyer Memorial Program

- **Originated by consultant Carl Moyer**
- **Proposed meet 1994 SIP Goals and NOx shortfall**
 - 3 ton on-road/ 2 ton off-road
- **Provides incentives for both on and off road engines and vehicles**
- **Initially funded out of state general fund and bonds**
- **Program now has multiyear funding through legislation action. (approx. \$125 M) per year through 2015 (Smog Check and tire fee)**
- **New more flexible rules being developed.**

Vehicle Registration Surcharge

- Originally \$1 – raised to \$4
- Generates more than \$1.3 million per year (for vehicle program)
- Can be used for on-road incentive programs and for program management costs
- Sacramento required this 1st, then exported to the remaining districts in the state
- Fund has been in place since 1988-89
- Updated in 2004 to add an additional \$2 per vehicle
- Now totals \$6, some restrictions on last \$2 increment

Measure A (local sales tax)

- Approximately 10% of the District's core budget - \$1.4 million/year
- Leveraged \$6 million additional funds from Moyer, CMAQ and SECAT Programs
- Examples of leveraged projects: 73 CNG RT Buses, 15 refuse trucks, 9 school buses, and 8 alternative fuel infrastructure projects

Lower-Emission School Bus Program

- Implemented in December 2000 to reduce school children's exposure to PM and NOx
 - Retrofit existing or purchase of new school buses
 - Construction of fueling facilities
- AQMD allocated \$1.85 million with match of \$188,000 for 21 buses (\$350,000 in 2005 Budget)
- State and local districts will continue to fund school bus programs through Moyer, DMV and other funding streams

Emission Reductions

- More than 3,100 re-powered, retrofitted or new cleaner engines
- Currently over 5.1 tons/day reduced
- Multiple funding sources were needed.
- 8-hour SIP will require larger reductions
- Issues:
 - Funding for staff and maintenance of program
 - Matching fund source to project type
 - Follow-up and audit of contracts

Conclusion

- **Must develop partnerships to create support for funding sources:**
 - Include local/state/federal, industry, environmental and EJ groups, legislators
 - Demonstration projects are key to proving new strategies and technologies
 - Federal funding is vital to future success
- **Public Health must be a primary motivation**
- **Be Innovative and strategic**